

The Honorable Marc L. Barreca
Chapter 11
Hearing Date: January 30, 2015
Hearing Time: 1:30 p.m.
Hearing Location: Seattle, 7106
Response Date: At time of hearing
Request to Shorten Time Pending

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re

NATURAL MOLECULAR TESTING
CORPORATION,

Debtor.

Case No. 13-19298-MLB

TRUSTEE'S MOTION TO APPROVE SALE
OF ROCHE EQUIPMENT OUTSIDE OF
THE ORDINARY COURSE OF BUSINESS

Mark Calvert, the Chapter 11 Trustee (the "Trustee") of Natural Molecular Testing Corporation (the "Debtor"), through his counsel of record, hereby files this Motion to Approve Sale of Roche Equipment Outside of the Ordinary Course of Business. This Motion is made pursuant to sections 363(b)(1) and (f) of the United States Bankruptcy Code.

I. FACTS

A. Property to Be Sold

The property to be sold is two Roche MagNA Pure 96 Instruments (each a "MagNA Pure"; collectively, the "Roche Equipment") leased by Roche Diagnostics Corporation ("Roche"). After negotiations with the Trustee, Roche informed the Trustee that Roche has

TRUSTEE'S MOTION TO APPROVE SALE OF
ROCHE EQUIPMENT – 1

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1 made a business judgment (1) to abandon any specific interest in or claim to the Roche
2 Equipment, and (2) not to make any claim to the proceeds of the sales of the Roche
3 Equipment.
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7 **B. Purchasers and Purchase Price**
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9 One MagNA Pure will be sold to Atossa Genetics, Inc. (“Atossa”), a Seattle-based
10 company, for \$50,000 in cash, with closing to occur as soon as possible after entry of an
11 order approving the sale. Atossa is not affiliated with the Debtor; the Trustee understands
12 that several former employees of the Debtor now work for Atossa.
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15 The other MagNA Pure will be sold to MedTech National, Inc. or its assignee with a
16 minimum capitalization of \$1,000,000 (“MedTech”). MedTech and the Trustee have
17 negotiated an Asset Purchase Agreement (the “MedTech APA”) under which MedTech will
18 buy substantially all of the Debtor’s former laboratory assets. The MedTech APA excluded
19 the MagNA Pure that MedTech desired to purchase because these instruments were not
20 included in the Trustee’s original motion to sell assets outside the ordinary course of
21 business filed on November 26, 2014 [Doc. 429]. MedTech will deliver a promissory note
22 to the Trustee for \$50,000, bearing interest at 6%, and payable with payments of \$1,500 per
23 month commencing May 1, 2015 and one payment of \$242 due June 1, 2018. This Note will
24 be secured by a security interest in the MagNA Pure in favor of the Debtor’s estate.
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28 **C. Sales Free and Clear of Liens**
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30 The Trustee requests that the sale of the Roche Instruments hereunder be free and
31 clear of liens, with any liens on the Roche Instruments attaching to the proceeds in order of
32 priority. The only liens on the Roche Instruments are the liens granted to (1) the Debtor’s
33 former landlord and (2) Acamar Investment, Inc. (“Acamar”) as post-petition lender
34 pursuant to prior orders of this Court. The Trustee also requests permission to pay the
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TRUSTEE’S MOTION TO APPROVE SALE OF
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undisputed claims of these secured parties out of the sale proceeds of the Roche Instruments without further Court order.

II. ARGUMENT

A. The Sales Should be Approved

The sales of the Roche Instruments have been negotiated in good faith and at arms' length with the Trustee and represent what the Trustee perceives to be maximum value for the instruments, after consulting with numerous industry sources, including an experienced broker of similar laboratory equipment.

B. Sale Free and Clear of Liens Is Appropriate

Section 363(b)(1) of the Bankruptcy Code provides that a trustee is authorized to sell, other than in the ordinary course of business, property of the estate. Section 363(f)(5) allows a sale free and clear of where "such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest." This test is clearly met with respect to any liens, claims or encumbrances that attach to the Roche Instruments.

III. CONCLUSION

For the foregoing reasons, the Trustee respectfully requests that the Court enter an order approving the sale of one MagNA Pure to Atossa and one MagNA Pure to MedTech, pursuant to the terms described in this Motion, from and clear of liens, with the sale proceeds used to pay the allowed claims secured by the Roche Instruments, and with the excess sale proceeds to be deemed unencumbered funds of the Debtor's bankruptcy estate.

TRUSTEE'S MOTION TO APPROVE SALE OF
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2 DATED: January 22, 2015.
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TRUSTEE'S MOTION TO APPROVE SALE OF
ROCHE EQUIPMENT – 4

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